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## State of Utah Department of Commerce

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July 17, 2006

### MEDIA ALERT

#### Seven Utahns Lose Money in Two Nightclub-Restaurant Schemes

*"Investors told they would earn profits, instead lose over \$142,000"*

SALT LAKE CITY, Utah – The Division of Securities announced today that Jennifer Robyn Burkinshaw faces criminal charges for defrauding five victims of \$123,000 for a nightclub venture. Also an Order has been issued against Travis J. Arnovick, owner of the "Lazy Moon" private club in Salt Lake City, for taking \$20,000 from two victims to invest in his restaurant/nightclub operation.

"These cases are prime examples of how the offer of promissory notes, such as for an investment in a nightclub or restaurant, are still considered securities and must come from a licensed broker," said Wayne Klein, Director for the Division of Securities. "If the broker offering the deal isn't licensed, you're putting your money at risk."

Jennifer Robyn Burkinshaw, of Sandy, is charged with 6 second degree felony counts for soliciting \$123,000 from five Utah residents from April 2004 through September 2004. Burkinshaw allegedly promised annual interest rate yields of 10, 12, or 15% with maturities from 10 days to 2 years. The investors were told their money would be used to open "Club Azure" and/or "The Standard Lounge" in Salt Lake County or to pay off debts for both entities. Four investors received promissory notes from Burkinshaw's company Rock Star Management, Inc.; the fifth was sold an ownership in "Club Azure". Burkinshaw never revealed to the investors she had five prior civil actions and unpaid judgments from previous business ventures. Of the \$123,000 invested, she has only returned \$1000 to one investor. The criminal charges are being prosecuted by Charlene Barlow, Assistant Attorney General, on behalf of the Division of Securities.

Travis J. Arnovick, of Salt Lake County, is subject to an Order for violating the *Utah Uniform Securities Act*. Arnovick admitted that in August 2001, he told one victim that "Lazy Moon's" business partners wanted five investors to share in expenses and receive dividends from the private club's profits. The victim turned over \$10,000 to Arnovick which Arnovick personally guaranteed. Arnovick told the second victim during August 2001 he needed \$7000 to purchase the "Lazy Moon" from a previous owner. He promised



the investor a share of the profits or offered a partnership for \$10,000. The victim paid him \$7000 and later gave Arnovick an additional \$3000 but chose a promissory note over becoming a business partner. The victims have received half of their original investment from a criminal case brought by the Attorney Generals Office in 2005. Travis J. Arnovick consented to the terms of the Order and agreed to cease and desist offering securities.

Investors are urged to contact the Division of Securities to make sure anyone offering investments is licensed, by calling (801) 530.6600, toll free at 1.800.721.7233 or logging on to [www.securities.utah.gov](http://www.securities.utah.gov).

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